



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0194	Title:	Revise residential property tax credit for the elderly
Primary Sponsor:	Caferro, Mary	Status:	As Introduced

- ☐ Significant Local Gov Impact
 ☐ Needs to be included in HB 2
 ☐ Technical Concerns
☐ Included in the Executive Budget
 ☐ Significant Long-Term Impacts
 ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:					
General Fund	\$0	\$0	\$0	\$0	\$0
Revenue:					
General Fund	(\$360,000)	(\$360,000)	(\$360,000)	(\$360,000)	(\$360,000)
Net Impact-General Fund Balance:	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>

Description of fiscal impact: This bill would allow residents of tax-exempt facilities to claim the elderly homeowner/renter credit. This would reduce general fund revenue by \$360,000 per year.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Under current law, the elderly homeowner/renter credit may be claimed by individuals who own or rent a taxable home, or who live in county or municipal housing authority facilities. This bill would remove that requirement and allow taxpayers who rent from a tax-exempt facility to claim the credit.
- In 2013, the Department of Revenue became aware that a significant number of residents of tax-exempt facilities were claiming the credit. The department publicized the fact that residents of tax-exempt facilities are not eligible and reviewed claims from addresses associated with tax exempt facilities and denied many of these claims. (Some were approved because the claimant had lived in a taxable dwelling for at least seven months out of the year.)

3. Claims for CY 2012 from the same addresses were examined. It was found that credits claimed from these addresses for CY 2012 were approximately \$360,000 higher than the amount of credits approved from these addresses for CY 2013.
4. This bill would increase elderly homeowner/renter credits by the same amount that the department's 2013 compliance efforts reduced them, or \$360,000 per year.
5. This bill would apply retroactively to TY 2014, allowing taxpayers to claim credits for that year in the spring of 2015, which is in FY 2015.

<u>Fiscal Impact:</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Department of Revenue					
<u>Expenditures:</u>					
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>					
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>					
General Fund (01)	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>
TOTAL Revenues	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>	<u>(\$360,000)</u>

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date